

SENATE BILL

No. 9

Introduced by Committee on Budget and Fiscal Review

January 27, 2003

An act to amend Section 16320 of the Government Code, relating to the State Budget.

LEGISLATIVE COUNSEL'S DIGEST

SB 9, as introduced, Committee on Budget and Fiscal Review. State Budget.

Existing law provides that moneys in the State Treasury may be loaned from one state fund or account to any other state fund or account to address the 2002–03 fiscal year budget shortfall.

This bill would provide that, in addition, moneys in the State Treasury may be loaned from one state fund or account to any other state fund or account to address the 2001–02 and 2003–04 fiscal year budget shortfalls.

Existing law provides that these loans must be authorized by the 2002 Budget Act.

This bill would provide, in addition, that these loans may be authorized by legislation enacted in a 2003–04 Extraordinary Session, or in the 2003 Budget Act.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: ²/₃. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

[1] Corrected 2-3-03—See last page.

The people of the State of California do enact as follows:

SECTION 1. Section 16320 of the Government Code is amended to read:

16320. (a) Unless otherwise prohibited by law, moneys in the State Treasury may be loaned from one state fund or account to any other state fund or account to address the 2001–02, 2002–03, and 2003–04 fiscal year budgetary ~~shortfall~~ *shortfalls*, subject to all of the following conditions:

(1) The loan is authorized in the 2002 Budget Act, *legislation enacted in a 2003–04 Extraordinary Session, or the 2003 Budget Act*.

(2) The terms and conditions of the loan, including an interest rate, are set forth in the loan authorization.

(3) The loan is considered part of the balance of the fund or account that received the funds for the purpose of accounting and budgeting, including any determination made pursuant to Section 13307.

(4) The loan is not deducted from the balance of the fund or account from which the loan is made for purposes of calculating a fee or assessment.

(5) A fee or assessment ~~may~~ *is not be* increased as a result of a loan.

(6) Moneys loaned under this section ~~shall~~ *are not be* considered a transfer of resources for purposes of determining the legality of the use of those moneys by the fund or account from which the loan is made or the fund or account that received the loan.

(b) (1) The Director of Finance shall order the repayment of all or a portion of any loan made pursuant to subdivision (a) if he or she determines that either of the following circumstances exists:

(A) The fund or account from which the loan was made has a need for the moneys.

(B) There is no longer a need for the moneys in the fund or account that received the loan.

(2) The Director of Finance shall notify, in writing, the Chairperson of the Joint Legislative Budget Committee within 30 days of ordering the repayment of any of these loans.

(c) On August 1 of each year, the Director of Finance shall report in writing to the Chairperson of the Joint Legislative Budget

1 Committee the balances of these loans as of the preceding June 30.
2 On February 1 of each year, the Director of Finance shall provide
3 an updated report to the Chairperson of the Joint Legislative
4 Budget Committee on the balances of these outstanding loans, as
5 reflected in the preceding Governor's Budget.

6 SEC. 2. This act is an urgency statute necessary for the
7 immediate preservation of the public peace, health, or safety
8 within the meaning of Article IV of the Constitution and shall go
9 into immediate effect. The facts constituting the necessity are:

10 In order that changes made to the 2002 Budget Act through
11 Extraordinary Session legislation may be implemented at the
12 earliest possible time, it is necessary for this act to take effect
13 immediately.

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15 CORRECTIONS

16 Digest — Page 1.

